



Memo

To: Board of Directors of the Connecticut Green Bank

From: Mackey Dykes (Vice President, Financing Programs) and Sergio Carrillo (Managing Director, Incentive Programs)

CC: Brian Famen (General Counsel and CLO), Bryan Garcia (President and CEO), Bert Hunter (Executive Vice President and CIO), and Alex Kovtunenکو (Deputy General Counsel)

Date: January 19, 2024

Re: Request for Adjustment in Officer Approvals – Funding Requests below \$500,000 and in Aggregate less than \$1,000,000

At the October 20, 2017 Board of Directors (Board) meeting of the Connecticut Green Bank (Green Bank) it was resolved that the Board approves the authorization of Green Bank staff to evaluate and approve funding requests less than \$500,000 which are pursuant to an established formal approval process requiring the signature of a Green Bank officer, consistent with the Comprehensive Plan, approved within Green Bank's fiscal budget and in an aggregate amount not to exceed \$1,000,000 from the date of the last Deployment Committee meeting (Under \$500,000 Approval Process). Staff authorizations consisted of smaller C-PACE transactions as part of our Financing Programs.

The Energy Storage Solutions (ESS) Program was established by the Public Utilities Regulatory Authority (PURA) in Docket No. 17-12-03RE03. In PURA's final Decision in this docket, issued July 28, 2021, PURA appointed The Connecticut Light and Power Company d/b/a Eversource Energy (Eversource), The United Illuminating Company (UI), and Green Bank as co-administrators of the ESS Program.

The Green Bank's ESS Program responsibilities include customer enrollment, administration of the upfront incentive, marketing and promotion, and data aggregation and publication to support Program evaluation, measurement, and verification, among others.

At its December 16, 2022 meeting, the Board authorized a process for the approval of upfront incentives for projects participating in the ESS Program (ESS Approval Process). The approval process for multi-family affordable housing and nonresidential¹ ESS incentives

¹ Incentives for residential ESS Program customers (maximum per project incentive of \$16,000, based on current ESS program rules) are administrated and issued by Green Bank staff similar to how Green Bank administrated the Residential Solar Investment Program (RSIP). Akin to RSIP, neither the Deployment Committee or the Board approve of residential customer deployment nor do those

below \$500,000 is identical and subject to the same aggregate limit as the Under \$500,000 Approval Process for Financing Programs.

With the programmatic expansion of staff authorizations to include both Financing and ESS Programs, the aggregate \$1 million cap has been reached on at least one occasion and staff expects this to become more of an issue as the ESS Program expands. Please see the **attached** Staff Authorization spreadsheet, which sets forth historical data on approvals under \$500,000 and highlights when the cap has previously been reached.

The Green Bank Deployment Committee recommends that both the Under \$500,000 Approval Process and ESS Approval Process be modified as follows:

- (1) That the Financing Programs and Incentive Programs each have a separate aggregate limits, set forth below, which would be tracked and reported separately. Currently, both Financing Programs projects (e.g., C-PACE transaction) and Incentive Programs (e.g., ESS Program incentives) below \$500,000 are subject to the same aggregate limit. This has been a procedural constraint for both programs and has the likely potential to delay approval of standard projects as the ESS Program expands.
 - a. The Financing Program aggregate limit would be set at \$1,000,000; and
 - b. The ESS Program aggregate limit would be set at \$500,000 (the lower amount is warranted as the ESS Program is still a relatively new program) but not include residential ESS Program customers akin to the RSIP approval structure.)

- (2) That each aggregate amount (\$1,000,000 (Financing) and \$500,000 (ESS)) limit may be refreshed with a report out to either a Deployment Committee or Board meeting. Currently, refreshing the authorization limit at a Board meeting is done by consent agenda resolution, while at a Deployment Committee meeting such a resolution is not necessary pursuant to the Under \$500,000 Approval Process. This recommendation would simply result in one less consent agenda resolution at Board meetings and a more standardized process for reporting such staff approval at all Deployment Committee and Board meetings.

RESOLUTION

WHEREAS, At the October 20, 2017 Board of Directors (Board) meeting of the Connecticut Green Bank (Green Bank) the Board approved a process for the Green Bank staff to evaluate and approve funding requests less than \$500,000 and in an aggregate amount not to exceed \$1,000,000 from the date of the last Deployment Committee meeting (Under \$500,000 Approval Process for Financing Programs).

allocations impact the staff authorization volume cap. Green Bank staff will periodically report out to the Board on the progress to targets and incentives issued to such residential customers.

WHEREAS, at its June 24, 2022 meeting, the Board approved a process for the Green Bank staff to evaluate and approve upfront incentives for projects participating in the ESS Program (ESS Approval Process). The approval process for ESS incentives below \$500,000 is identical and subject to the same aggregate limit as the Under \$500,000 Approval Process for Financing Programs.

WHEREAS, the Deployment Comment recommended at its December 15, 2023 Special Meeting a modification of the Under \$500,000 Approval Process for Financing Programs and ESS Approval Process as described in the memorandum to the Board dated January 19, 2024 (the "Memo").

NOW, therefore be it:

RESOLVED, that the Green Bank Board approves the modification of the Under \$500,000 Approval Process for Financing Programs and ESS Approval Process as more particularly described in the Memo.
